



County of Los Angeles

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Fifth District

March 7, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

STATE LEGISLATIVE UPDATE

State Budget Update

Two legislative hearings were held on Wednesday dealing with issues of interest to the County. In the Joint Hearing of the Senate Health and Human Services Committee and the Budget and Fiscal Review Subcommittee No. 3, Steve Larson, Deputy Director of Finance and the point person on realignment, testified about the Administration's proposal, describing it as the only alternative to deep program cuts, and indicating that the Administration was flexible about other programs but that there were not many good options. He said that the Big 5 directed him to meet with staff of the four caucuses to come up with a list of programs. The next step would be to establish working groups involving legislators, administration officials, and representatives of local governments, but he did not say when that would begin. The goal was to get as close to \$8.4 billion as possible. There was no discussion on revenue options, and there were no objections, although Senator McClintock asked how realignment was possible in light of the Legislative Counsel's opinion. Larson indicated that the Administration's attorneys did not agree with Legislative Counsel and that they would try to get them all together to achieve consensus. So it appears the Administration is still very serious about doing some level of realignment, and all four caucuses are participating.

The Joint Hearing of the Assembly Local Government Committee and Assembly Budget Subcommittee No. 4, featured Finance Director Steve Peace testifying about the restructuring of state and local finances. He said that he has been meeting with labor, the business community, academia, and others, trying to enlist them in this "great discussion" that the Governor proposed to fix the State-local fiscal system. They hope to present a bi-partisan reform/revenue proposal in May, some of which will be used to

finance realignment and could include additional property taxes, either from a swap with schools or an increase in business assessments.

Finally, the Assembly adjourned on Thursday without taking up the budget reduction bills which suggest there is still no consensus about whose finger is on the VLF trigger or if there even is a trigger.

Local Government Hearing

The Senate Local Government Committee held an informational hearing on Local Government and the Governor's Budget today at the Inglewood Public Library. It is our understanding that this hearing was scheduled to obtain testimony from cities in the area.

Status of County-Sponsored Legislation

County-sponsored legislation adopted by the Board of Supervisors for the first year of the FY 2003-04 State legislative session is beginning its journey through the legislative process. The following indicates the status of these County-sponsored bills.

Juvenile Court Hearings Regarding Dependent Children. Assemblymember Robert Pacheco has introduced **AB 44** which will address technical issues regarding the notification of various parties of juvenile court proceedings to determine, review, revise, or terminate the status of a child as a dependent child of the court. This bill has an urgency clause. AB 44 passed the Assembly Judiciary Committee on March 4, 2003 by unanimous vote and now proceeds to the Assembly Appropriations Committee.

Protection of Badges and Associated Identification Cards. Assemblymember Rudy Bermudez has introduced **AB 1153** which would criminalize the unlawful or unauthorized use, manufacture or sale of any official State, County, city, city and county or agency badge and/or associated photographic identification cards. This measure has an urgency clause. AB 1153 is awaiting policy committee assignment by the Assembly Rules Committee.

Time Requirements for Serving Dependency Review Hearing Reports. Assemblymember Gloria Negrete-McLeod has introduced **AB 1469** which authorizes the court to grant a reasonable continuance not to exceed ten days if a report is not provided to the parties within a reasonable time before the dependency hearing. This bill is awaiting policy committee assignment by the Assembly Rules Committee.

High Desert Hospital and Multi-service Ambulatory Care Center. Assemblymember Sharon Runner has introduced **AB 1597** which would state the intent of the Legislature

to enact legislation to establish a new licensing category, the multi-service ambulatory care center, that would be administered by the State Department of Health Services. This measure has an urgency clause. AB 1597 is awaiting policy committee assignment by the Assembly Rules Committee.

Establishment of Procedures to Shorten Appeals Affecting the Adoption of Children. Senator Martha Escutia has introduced **SB 59** which would shorten the amount of time on appeals for the adoption of children. This bill is currently in the Senate Judiciary Committee awaiting a hearing date.

Amendments to Safe Haven Law. Senator James Brulte has introduced **SB 139** which revises the provisions for persons having lawful custody of a minor child 72 hours old or younger who surrender the child to a designated hospital employee. This bill was set for hearing on March 11, 2003 in the Senate Judiciary Committee but the hearing was cancelled by the author.

Alcohol Taxation. Senator Gloria Romero has introduced **SB 726** which will give Los Angeles County the authority to levy an alcohol tax. This measure is currently a spot bill. SB 726 is awaiting policy committee assignment by the Senate Rules Committee.

Clarification of Documentary Transfer Tax Application. This proposal would make documentary transfer taxes applicable to the full sale price of real property. This issue is still in litigation, and the Legislature is reluctant to consider legislation that is the subject of a lawsuit. Therefore, no author is being sought at this time.

SB 1732 Funding for the LAC+USC Med-Center Replacement Project. We were unable to secure an author to carry legislation to maximize the availability of SB 1732 funding which allows for the reimbursement of a portion of capital project costs for hospitals.

Rancho Los Amigos National Rehabilitation Center (Rancho). With the impending closure of Rancho, the County may still be obligated to make intergovernmental transfers to the State under the Disproportionate Share Hospital Program (DSH) if the hospital is not closed before the end of the fiscal year. This would result in an estimated loss to the County of \$27 million because the hospital could close before receiving its DSH payments. Our Sacramento advocates are seeking an author for legislation to ensure that the County will continue to be eligible to receive DSH payments following Rancho's closure.

Each Supervisor
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We will continue to keep you advised.

DEJ:GK
MAL:EW:ib

c: Executive Officer, Board of Supervisors
 County Counsel
 Local 660
 All Department Heads
 Legislative Strategist
 Coalition of County Unions
 California Contract Cities Association
 Independent Cities Association
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